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SUBJECT: CHALABI HEADS NEW SERVICES COMMITTEE

11. SUMMARY: In a follow-on meeting to the inaugural services committee meeting, Iraq Transition Assistance Office (ITAO) Director, Mark Tokola, met with Dr. Ahmed Chalabi on Monday, October 122. The recently named chairman to Mailiki's new services committee briefly discussed the committee's mission and was open to US Mission involvement and support. END SUMMARY.

Maliki Announces New Committee

12. At the Iraq Executive Steering Committee (I-ESC) on Friday, October 19, Prime Minister Nouri AL Maliki announced a new chairman of essential services committee. After several proposed alternatives, including the Council of Ministers and the Provincial Council, the PM declared Ahmed Chalabi, the current Head of the I-ESC Popular Mobilization Committee, as lead for this committee.

Chalabi Heads New Services Committee

- 13. Dr. Chalabi convened the first meeting of the committee Saturday, October 20. The meeting was attended by General Aboud; Dr. Karim, Minister of Electricity; the manager of the Doura Refinery; the head of the Iraqi Republic Railway (IRR); a representative from the Baghdad Amanat; a representative from the Ministry of Oil; and Mr. Tacim, the Fard al-Qanoon spokesperson.
- 14. Chalabi identified the proposed scope of the committee as five services: water, electricity, oil, health and the public distribution system (PDS). The efforts would be geographically limited only to Baghdad. However, in a follow up meeting between Director Tokola and Chalabi on October 22, Chalabi also suggested an added emphasis on economic development through private sector incentives, including an improved mortgage market to promote housing construction and thus reduce unemployment.
- 15. During the latter meeting, Chalabi underscored the importance of fuel and health as sectors requiring immediate attention and assistance. He specifically identified production shortages, transportation failures, and administrative corruption as obstacles within the fuel sector. In terms of the health system, Chalabi noted an immediate need for operating hospitals as well as recruitment and retention programs for hospital personnel. He was particularly interested in how to draw back doctors who have fled Iraq.

Executive Order Pending

16. The authority, membership and charge of the new services committee remains uncertain. According to Chalabi, the executive order is before the Prime Minister. (NOTE: Embassy staff is currently working to obtain a draft copy of the order. END NOTE) In the meantime, the next meeting is proposed later this week and Embassy and Coalition Force representatives are scheduled to attend.

Comment

17. Identification of Chalabi as head of the services committee came as a surprise to USEMB representatives at the I-ESC. With few available details regarding the committee, USEMB is actively engaged with Chalabi and has offered assistance as appropriate, including at the working levels. It is our goal to prevent redundancy by utilizing existing resources, including the JPC and former Deputy Prime Minister Zobai's staff. Zobai had been the Chairman of the I-ESC's Services Committee. Chalabi's appointment primarily serves to fill the gap created by Zobai's resignation and the lack of a new Deputy Prime Minister to replace him.

Crocker